
Office of the Secretary of State

Statement of Appropriations, Expenditures Paid and
Available Appropriations

For the Period July 1, 2000 to January 10, 2001

Ernest A. Almonte, CPA, CFE
Auditor General

State of Rhode Island and Providence Plantations
General Assembly
Office of the Auditor General



ERNEST A. ALMONTE, CPA, CFE
AUDITOR GENERAL
EALMONTE@OAG.STATE.RI.US

STATE OF RHODE ISLAND and PROVIDENCE PLANTATIONS
GENERAL ASSEMBLY

OFFICE of the AUDITOR GENERAL

- ♦ INTEGRITY
- ♦ RELIABILITY
- ♦ INDEPENDENCE
- ♦ ACCOUNTABILITY

July 12, 2001

JOINT COMMITTEE ON LEGISLATIVE SERVICES:

SPEAKER John B. Harwood

Senator William V. Irons
Senator Dennis L. Algieri
Representative Gerard M. Martineau
Representative Robert A. Watson

We have completed an audit of the Statement of Appropriations, Expenditures Paid and Available Appropriations of the Office of the Secretary of State for the period July 1, 2000 to January 10, 2001. This financial statement reflects the fiscal 2001 activity of the Office of the Secretary of State through January 10, 2001 when Edward S. Inman, III assumed the duties of Secretary of State.

Our report, as outlined in the Table of Contents, includes the financial statement of the Office of the Secretary of State for the period July 1, 2000 to January 10, 2001 and our report thereon.

Sincerely,

Ernest A. Almonte, CPA, CFE
Auditor General

**OFFICE OF THE SECRETARY OF STATE
FOR THE PERIOD JULY 1, 2000 TO JANUARY 10, 2001**

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ERNEST A. ALMONTE, CPA, CFE
AUDITOR GENERAL
EALMONTE@OAG.STATE.RI.US

STATE OF RHODE ISLAND and PROVIDENCE PLANTATIONS

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INDEPENDENT AUDITOR'S REPORT

JOINT COMMITTEE ON LEGISLATIVE SERVICES, GENERAL ASSEMBLY
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS:

We have audited the accompanying Statement of Appropriations, Expenditures Paid and Available Appropriations of the Office of the Secretary of State for the period July 1, 2000 to January 10, 2001. This financial statement is the responsibility of the Office of the Secretary of State's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 2, this financial statement was prepared on the cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles.

As discussed in Note 2, the Statement of Appropriations, Expenditures Paid and Available Appropriations of the Office of the Secretary of State is intended to present only the results of operations, on a cash basis, of that portion of the State of Rhode Island's General Fund that is attributable to the transactions of the Office of the Secretary of State.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the appropriations, expenditures paid and available appropriations of the Office of the Secretary of State for the period July 1, 2000 to January 10, 2001 on the basis of accounting described in Note 2.

The supplementary Statement of Appropriations, Expenditures Paid and Available Appropriations by Division is presented for purposes of additional analysis is not a required part of the basic financial statement of the Office of the Secretary of State. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, is fairly stated in all material respects in relation to the basic financial statement taken as a whole.



Ernest A. Almonte, CPA, CFE
Auditor General

May 4, 2001

**OFFICE OF THE SECRETARY OF STATE
STATEMENT OF APPROPRIATIONS, EXPENDITURES PAID, AND APPROPRIATIONS AVAILABLE
FOR THE PERIOD JULY 1, 2000 TO JANUARY 10, 2001**

APPROPRIATIONS FOR THE FISCAL YEAR ENDING JUNE 30, 2001 \$ 5,683,490

EXPENDITURES PAID:

Personal services	
Salaries	1,050,173
Employee benefits	375,031
Purchased services	85,903
Rental of equipment (note 3)	782,937
Grants (note 5)	330,444
Printing	271,499
Telephone	25,002
Rental of outside property (note 3)	194,588
Postage	125,400
Office expense	15,231
Dues and subscriptions	18,621
Mileage and other travel	3,883
Automotive	7,324
Repairs	13,897
Computer supplies and software	9,031
Record center - document storage	10,846
Electricity	11,731
Other	22,395
Total expenditures paid	<u><u>3,353,936</u></u>

Excess of appropriations over expenditures paid 2,329,554

AVAILABLE APPROPRIATIONS AT JANUARY 10, 2001 \$ 2,329,554

The accompanying notes are an integral part of this statement.

Office of the Secretary of State

**Notes to the Financial Statement
For the Period July 1, 2000 to January 10, 2001**

Note 1: Organization

The Office of the Secretary of State was established by the Rhode Island Constitution as one of the five general offices subject to voter election. The Office of Secretary of State is responsible for carrying out the functions and duties relating to elections, legislative records, archives, and distribution and exchange of documents as outlined in the Rhode Island State Constitution and the Rhode Island General Laws.

The Office of the Secretary of State is organized in six divisions as outlined below:

- General Administration
- Corporations
- State Archives
- Elections
- State Library
- Office of Public Information

The Secretary of State has a staff of 57 employees.

The financial activity of the Secretary of State is recorded in the State of Rhode Island General Fund. The Office of the Secretary of State is also responsible for the Records Center Fund which operates as an internal service fund of the State. The financial activity of the Records Center Fund is not included in this financial statement.

On January 10, 2001, the General Assembly elected Edward S. Inman, III to serve the remaining term of the Office of Secretary of State.

Note 2: Significant Accounting Policies

Basis of Presentation

The accompanying Statement of Appropriations, Expenditures Paid and Available Appropriations of the Office of the Secretary of State for the period July 1, 2000 to January 10, 2001 is intended to present only the results of operations, on a cash basis, of that portion of the State's General Fund that is applicable to transactions of the Office of the Secretary of State.

Office of the Secretary of State

**Notes to the Financial Statement
For the Period July 1, 2000 to January 10, 2001**

Note 2: Significant Accounting Policies (continued)

Basis of Accounting

This statement is presented on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under the cash basis of accounting, expenditures are recorded when paid rather than when incurred.

The Office of the Secretary of State is financed with State appropriations. Appropriations represent the amount appropriated by the General Assembly for the fiscal year ending June 30, 2001. Available appropriations represent the balance of unspent appropriations at January 10, 2001. Appropriations, expenditures paid and available appropriations of the Office of the Secretary of State are derived from the State accounting system that is maintained by the State Controller.

Certain fees collected by the Office of the Secretary of State are state general revenues. Accordingly, such revenues are not included in the accompanying financial statement of the Office of the Secretary of State. Receipts from fees and miscellaneous revenues, which are considered general revenues of the State totaled \$1,721,902 for the period July 1, 2000 to January 10, 2001.

Note 3: Lease Commitments

Rental of Property

The Office of the Secretary of State occupies leased space in two buildings in Providence, RI. Expenditures for leased property for the period July 1, 2000 to January 10, 2001 totaled \$194,588. Rental of property expenditures for the remainder of the fiscal year are estimated at \$134,879.

The following is a summary of minimum rental payments required under operating leases that have initial or remaining lease terms in excess of one year as of January 10, 2001.

<u>Fiscal Year</u>	
<u>Ending June 30</u>	
2002	\$ 323,709
2003	323,709
2004	323,709
2005	<u>215,903</u>
	<u>\$ 1,187,030</u>

Office of the Secretary of State

Notes to the Financial Statement
For the Period July 1, 2000 to January 10, 2001

Note 3: Lease Commitments (continued)

Rental of Equipment

During fiscal 1998, the Office of the Secretary of State entered into an eight year lease/purchase agreement to acquire a paper ballot optical scanning election system. This lease includes the cost to service the system over the term of the lease. The total cost of the equipment (\$10,468,144) is allocated between the Office of the Secretary of State and the Board of Elections. The Office of the Secretary of State was allocated \$4,050,750 of the total cost of the lease with the remainder of \$6,417,394 allocated to the Board of Elections.

The following is a summary of the Office of the Secretary of State's future minimum lease payments required under this capital lease in excess of one year as of January 10, 2001.

<u>Fiscal Year</u>	
<u>Ending June 30</u>	
2002	\$ 99,610
2003	774,000
2004	126,870
2005	774,000
2006	<u>355,000</u>
	<u>\$2,129,480</u>

Note 4: Restricted and Federal Funds

Certain functions and programs of the Office of the Secretary of State are supported by either restricted or federal grant funds. Such amounts are appropriated as part of the annual budget process. Amounts included in the Statement of Appropriations, Expenditures Paid and Available Appropriations include only the amounts appropriated for fiscal 2001. The following details the status, as of January 10, 2001, of restricted and federal funds within the Office of the Secretary of State.

Federal Grant:

NHPRC Grant-Electronic Records Program

Balance forward	\$ -0-
Collections July 1, 2000 to January 10, 2001	14,110
Expenditures July 1, 2000 to January 10, 2001	<u>(22,819)</u>
Balance at January 10, 2001	<u>\$ (8,709)</u>

Office of the Secretary of State
Notes to the Financial Statement
For the Period July 1, 2000 to January 10, 2001

Note 4: Restricted and Federal Funds (continued)

Restricted Receipts:

Historical Records Trust Fund

Balance forward	\$ 474,984
Collections July 1, 2000 to January 10, 2001	95,280
Expenditures July 1, 2000 to January 10, 2001	<u>(57,551)</u>
Balance at January 10, 2001	<u>\$ 512,713</u>

Note 5: Grants

In accordance with Section 29-2 of the General Laws, the General Assembly annually appropriates funds to the State Librarian for use in caring for, preserving, and cataloguing historical state property maintained in the safekeeping of the Rhode Island and Newport Historical Societies. A separate appropriation is also made to specifically care for the Nathaniel Green papers housed at the Rhode Island Historical Society.

These grants are intended to reimburse the historical societies for the assistance they provide to the State Librarian in fulfilling his/her statutory responsibilities. The specific grant amounts expended as of January 10, 2001 are as follows:

Rhode Island Historical Society	\$ 299,250
Newport Historical Society	9,805
State Library – Nathaniel Green Papers	<u>21,389</u>
	<u>\$330,444</u>

Note 6: Contingencies

The Office of the Secretary of State is involved in various litigation matters which could result in monetary loss to the Office of the Secretary of State and/or the State. These matters are in various stages, some to the point that a favorable decision with no or minimal loss is anticipated, others where the outcome and amount of loss, if any, cannot be determined. Subsequent to January 10, 2001, the Office of Secretary of State settled two legal claims which management believes will result in payments totaling approximately \$92,000.

OFFICE OF THE SECRETARY OF STATE
SUPPLEMENTARY SCHEDULE OF THE STATEMENT OF APPROPRIATIONS, EXPENDITURES PAID AND AVAILABLE APPROPRIATIONS
FOR THE PERIOD JULY 1, 2000 TO JANUARY 10, 2001

	<u>General Administration</u>	<u>Corporations</u>	<u>State Archives</u>	<u>Elections</u>	<u>State Library</u>	<u>Office of Public Information</u>	<u>Total</u>
APPROPRIATIONS FOR THE FISCAL YEAR ENDING JUNE 30, 2001	\$ 1,209,426	\$ 1,270,396	\$ 455,880	\$ 1,533,356	\$ 706,801	\$ 507,631	\$ 5,683,490
EXPENDITURES PAID:							
Personal services							
Salaries	315,145	385,210	92,148	70,419	64,528	122,723	1,050,173
Employee benefits	103,124	149,532	34,956	27,392	20,371	39,656	375,031
Purchased services	77,772	(35,695)	577	32,599	-	10,650	85,903
Rental of equipment	3,815	2,107	-	774,000	1,735	1,280	782,937
Grants	-	-	-	-	330,444	-	330,444
Printing	5,715	7,279	954	255,580	1,343	628	271,499
Telephone	17,240	4,431	473	1,562	906	390	25,002
Rental of outside property	-	72,696	97,660	24,232	-	-	194,588
Postage	1,737	11,324	-	112,033	94	212	125,400
Office expense	2,671	4,317	3,362	2,640	1,097	1,144	15,231
Dues and subscriptions	2,250	905	604	912	13,461	489	18,621
Mileage and other travel	1,390	-	1,469	7	1,017	-	3,883
Automotive	7,324	-	-	-	-	-	7,324
Repairs	4,228	2,151	3,844	711	899	2,064	13,897
Computer supplies and software	1,675	1,565	127	660	-	5,004	9,031
Record center - document storage	6,348	4,498	-	-	-	-	10,846
Electricity	-	5,996	3,736	1,999	-	-	11,731
Other	3,523	591	2,419	2,599	9,094	4,169	22,395
Total expenditures paid	<u>553,957</u>	<u>616,907</u>	<u>242,329</u>	<u>1,307,345</u>	<u>444,989</u>	<u>188,409</u>	<u>3,353,936</u>
Excess of appropriations over expenditures paid	\$ 655,469	\$ 653,489	\$ 213,551	\$ 226,011	\$ 261,812	\$ 319,222	\$ 2,329,554
AVAILABLE APPROPRIATIONS AT JANUARY 10, 2001	<u>\$ 655,469</u>	<u>\$ 653,489</u>	<u>\$ 213,551</u>	<u>\$ 226,011</u>	<u>\$ 261,812</u>	<u>\$ 319,222</u>	<u>\$ 2,329,554</u>